

Submission to the Regional Assembly Select Committee on The Global Challenge and Global Regions

3 August 2007

This submission is presented by
Dr David R Kingham
Chief Operating Officer, Oxford Innovation Ltd

1. Introduction

Oxford Innovation manages Innovation Centres and delivers Innovation Support Services (including SEEDA programmes such as the Innovation Advisory Service South East, Leadership Development Advisors, Enterprise Hubs and some aspects of the Designing Demand programme).

SEEDA is a valued customer and partner in our programmes but we also work very closely with large companies, SMEs and start-ups in the South East to address a whole range of their innovation, knowledge transfer and leadership development requirements.

Our focus is on working with companies that address global markets and are subject to global competitive pressures.

2. Responses

Issue 1 Are SEEDA's limited resources prioritized appropriately, and is enough effort being spent on lobbying central Government to keep the South East 'engine of growth' running?

In our view, the new Regional Economic Strategy does imply an increasing focus of SEEDA's activities on global competitiveness issues. The goals in the Regional Economic Strategy are bold and can only be achieved by focusing support and intervention on those areas most likely to produce a substantial result. Inevitably, this means focusing on the major multinationals and small companies with high growth potential in the region.

SEEDA is strongly placed to achieve this focus, partly because its region is well endowed with both major multinationals, and with entrepreneurs and innovators capable of creating and building very high growth companies, and partly because SEEDA does have programmes in place, particularly Enterprise Hubs and the new Innovation Advisory Service, that already focus on these important issues of high growth start-ups and major multinationals.

It is clearly of vital importance that SEEDA lobbies central Government for its fair share of resources to continue to nurture this golden goose of wealth creation in the UK.

It is vital to achieve further investment in all aspects of communication networks throughout the South East and which connect the South East to the rest of the world.

It is equally important that SEEDA makes maximum use of its available resources and clearly any resources aimed at addressing global competitiveness and improving the region's global competitiveness need to be targeted quite ruthlessly at the places which can make the greatest difference (note that, in this respect, economic development funding aimed at enhancing global competitiveness may be quite different from economic development funding aimed at Smart growth, sustainability or social equality).

There is an opportunity to expand the IAS to serve high added value service companies who are an increasingly important part of the regional economy and which can contribute even more strongly in the future to the region's global competitiveness.

Issue 2 Is there sufficient coherence between the economic development agenda and the spatial/physical planning framework?

Our view is that there is not yet sufficient coherence because economic development strategies are developed largely in isolation from spatial planning frameworks.

Issue 3 Is there enough engagement of businesses in purposeful dialogue on global challenges?

SEEDA does have good mechanisms in place to achieve this purposeful dialogue, particularly sector groups; however, it must be borne in mind that businesses have limited appetite for dialogue – and much greater appetite for actions, opportunities, innovations and collaborations.

Through the Innovation Advisory Service South East (IAS) we believe that we have achieved a very strong dialogue with many of the technology-based multinational companies in the region. This has enabled us to rapidly modify and develop the IAS so that it is focused more specifically on meeting the needs of these major multinationals. The IAS is also creating greater opportunities for universities and SMEs in the South East to interact with the large multinationals.

This dialogue with large companies has been actively encouraged by SEEDA and has resulted in the IAS becoming the first publicly funded business support service in the UK to promote Open Innovation - the idea that large companies should look outside the walls of their own R&D laboratories for some or all of the new ideas they need for their new products or services.

Our belief, based on solid evidence gathered from many of these multinational companies, is that a service promoting Open Innovation in the South East can stimulate them to make further investment in the South East and enhance their rate of product and process innovation, thus addressing very directly one of the key goals of the Regional Economic Strategy.

Dialogue with mid-sized companies is more difficult as they have been neglected by publicly funded business support programmes for many years. The IAS has succeeded in engaging with several hundred mid-sized companies but there is a lot more work to be done.

Issue 4 How effective are SEEDA's policy formation skills in a rapidly changing world?

It is difficult for us to comment on SEEDA's policy formulation skills although, judging by the latest Regional Economic Strategy, SEEDA has correctly identified and prioritized the issues seen by globally competitive businesses in the region.

We feel that SEEDA has done well on programme flexibility. Programmes designed to meet particular policy or strategy objectives have evolved in the face of changing global and competitive pressures. For example, Enterprise Hubs have evolved over the last seven years since they were introduced by SEEDA and their evolution has strengthened their ability to deliver meaningful services to globally competitive start-ups in the region.

The IAS has been able to innovate even more rapidly to meet the rapidly changing requirements of the major multinationals in the region.

Issue 5 Are the scale and shape of inward investment attractions efforts appropriate for the region?

We believe that the IAS can be developed further and marketed more strongly alongside other actions to promote inward investment. The key feature of the IAS for a technology or research intensive inward investor is that it offers open access to the full knowledge base of the region, including universities, SMEs, start-ups and multinationals.

It may be appropriate to promote the South East as the "Open Innovation capital" of the world and SEEDA, the IAS and UK Trade & Investment may be able to work together to develop and promote this concept. This would certainly help to attract R&D intensive inward investment from both small and large companies.

Issue 6 Could more be gained from international networking?

The very essence of Open Innovation is that it involves local, regional, national and international networking. Just as the City of London has become the world's leading financial marketplace, the South East of England could become the world's leading "knowledge marketplace" ie the place in the world where people come to trade intellectual property, knowledge and research capabilities.

So the answer from our perspective is that international networking for its own sake is of limited value, but international networking linked to the development of an international marketplace for knowledge transfer would be highly worthwhile. This would point to a policy of developing the IAS very strongly and promoting it internationally.

Issue 7 Is the South East marketed and branded to best effect?

Our view expressed above is that the South East could be marketed and branded as an international marketplace for knowledge transfer and open innovation.

Issue 8 Does SEEDA maximize the potential of universities as a resource for addressing the global challenge?

Universities in the region have now established good mechanisms for “technology push” ie the supply side of the knowledge transfer process is generally well resourced and well supported by SEEDA where appropriate. However, there are relatively few measures to encourage the demand side ie to encourage businesses that may wish to absorb knowledge and research capability from universities or elsewhere.

The IAS does specifically work to encourage the demand side in the knowledge transfer process. In our view, a further strengthening of the IAS would help to unlock substantially greater demand for the knowledge and research capabilities within the universities in the region. And this greater demand is the crucial step in maximising the potential of universities as a resource for addressing the global challenge.

Issue 9 Could SEEDA play a stronger role in developing skills to meet global challenges?

Through the IAS, and the Leadership Development Advisors Programme that we manage for SEEDA, we have seen two areas where skills could be substantially enhanced in the region to meet the global challenge.

The first is in the area of leadership of innovative and ambitious organizations, an area where the Leadership Development Advisors have a key role to play in identifying needs and linking key business leaders to some of the strategic thinking business schools and colleges in the region.

Secondly, through the Innovation Advisory Service, we have noted a need for greater networking skills among key staff of some of the major businesses of all sizes in the region. What we are observing is a need for high level professional skills and it seems to us that the most effective role that SEEDA could play is by working with some of the most prestigious business schools in the region and helping them to offer high level continuing professional development.

3. Conclusion

Overall, we are delighted to be working with SEEDA on programmes to support economic development based on Global Competitiveness. The new Regional Economic Strategy properly identifies the importance of Global Competitiveness and SEEDA’s programmes, particularly the IAS, engage with globally competitive companies in the region to strengthen the regional economy.

Dr David Kingham
Chief Operating Officer, Oxford Innovation Ltd

Contact Details:

Dr David Kingham
Chief Operating Officer
Oxford Innovation Ltd

Tel: 01865 811128

E-mail: d.kingham@oxin.co.uk

Fax: 01865 209044

www.oxin.co.uk